Incentives to the Urea Manufacturing Units

890. SHRI N. GIR1 PRASAD:
, SHRI GURUDAS DAS GUPTA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government are considering proposal to continue the incentives being provided to the Urea manufacturing units;

(b) if so, what are the incentives being given at present; and

(c) what is the proposal being consider ed for the future?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO) : (a) Urea, being a controlled fertilizer, is covered under the Retention Price-cum-Subsidy Scheme. Under this scheme, the fixation of retention price for each manufacturing unit is based on the normative capacity utilisation and a combination of norms and actuals in respect of various elements of cost. The scheme provides, inter alia, for a post-tax return of 12% per annum.

(b) and (c) In order to reduce the capital cost of fertilizer plants, including urea manufacturing units, following incentives have been given :—

(i) Customs duty on import of capital goods for new fertilizer plants and renovation and modernisation of existing plants has been abolished, except countervailing duty in the case of renovation/ modernisation imports.

(ii) A scheme has been introduced for refund of customs duty paid on import of capital goods prior to 23-9-92 in respect of units set up on or after 1-1-1991 ; and

(iii) An interest concession of 3% on long term loans taken by new units as well as revamp projects is being provided by the Government, subject to the ultimate interest rate being not less than 12%.

No other proposals in this regard at present under the consideration of the Government.

Demand for removing price control on bulk drugs and formulations

891. SHRI P. UPENDRA: Will the PRIME MINISTER be pleased to state:

(a) whether there was a demand for removing price control on bulk drugs and formulations ; and

(b) what steps the Government is taking to ensure that the common man does not suffer due to rise in prices of essential drugs ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FER TILIZERS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO) : (a) and (b) These aspects form part of the Review of Drug Policy, 1986 an which discussions have taken place in he House in August, 1993. Final decisions in the matter are expected to be taken soon.

Review of fertilizer subsidy policy

892- SHRI DEBABRATA BISWAS : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that Government proposes to review the subsidy policy on fertilizer; and

(b) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS WITH ADDITIONAL